



# The APPRAISER

A PUBLICATION OF THE ARKANSAS APPRAISER LICENSING & CERTIFICATION BOARD

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July 2003

## Opinion of Value

By Jim Martin  
Executive Director

The Appraisal Foundation's Standards Board is relentless in its quest to change, edit, or delete sections of the Uniform Standards of Professional Appraisal Practice (USPAP) in some way, form or fashion every year! And the process is ongoing.

The profession does not have enough time to absorb these annual revisions before another wave of amendments is being proposed, tweaked, adopted and implemented. When, we often hear it asked, will the ASB stop making changes every year?

Already this year, the ASB has generated and published a second Exposure draft of several edits and revisions to the existing standards under which appraisers are operating.

The draft addresses these issues:

- New advisory opinion on the "normal course of business";
- Edits to the preamble;
- Clarification of the definition of client in a federally related transaction per Advisory Opinion 10;
- New advisory opinion on appraising the same property for a new client;
- Edits to Standard 10 about profes-

See *Value*, page 6



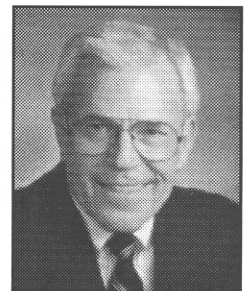
C. Wayne Coats



Fred Rausch



Virginia Risinger



Richard Stephens

## New Board Members

Four of the five vacancies created in January on the Arkansas Appraiser Licensing and Certification Board have been filled, and the new members are functioning fully in their official capacities.

The law under which the Board was created provides that the three-year terms of five members expire in January and that no member may serve more than two terms. Therefore, every six years, several vacancies occur simultaneously on the 10-person Board.

Gov. Mike Huckabee appointed appraiser C. Wayne Coats of Conway to the seat reserved for a senior citizen, replacing retired dentist Charles Ainley of Paragould; Fred Rausch of Fort Smith to succeed David Reinold of Russellville; Virginia Risinger of Strong (Union County) to succeed Donald Jordan of Hope; and Richard Stephens of Little Rock, replacing Jack Larrison of Little Rock.

All the terms expire Jan. 15, 2006.

Only the seat from which Mary Lou Brainerd resigned in late December to become the Board's first full-time investigator remains vacant. Her term would have expired Jan. 15.

Thumbnail sketches of the new members are:

### C. Wayne Coats

As noted, Coats was appointed to the seat reserved by law for a senior citizen, but he is a well-known Conway area appraiser. He juggles numerous business interests because, as he quipped, at 63 "I haven't learned how to be old yet." (He hasn't had time.)

He is a licensed certified general appraiser in Arkansas; a master senior appraiser with the national association; holds real estate broker licenses in Missouri and Arkansas; owns and runs Fairview Farms at Greenbrier where he lives; is a resi-

See *New*, page 2

## THE APPRAISER

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Nikki Bradley ..... Fayetteville  
C. Wayne Coats ..... Conway  
Richard Gillespie ..... Little Rock  
Scott McKennon ..... Russellville  
Fred Rausch ..... Fort Smith  
Virginia Risinger ..... Strong  
Isaac Ross ..... Little Rock  
Tom Scott ..... Little Rock  
Richard Stephens ..... Little Rock

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"The Appraiser" is seeking timely articles or comments on practical appraisal subjects of interest to both residential and nonresidential appraisers from appraisers, lending institutions, and other mortgage lenders. The articles or letters should be sent to the Board's office at the above address.

Entered as second class matter:  
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### *New, from page 1*

dential developer, and co-owns a golf course, among other activities. For example, he served 10 years on the Greenbrier School Board with three terms as its chairman.

Coats is keenly interested in education.

Though born in California, Coats' family moved to highly rural Missouri when he was 3. His father had a dairy farm. There young Wayne arose at 4 a.m. to milk cows and thought everyone else did, too. He also attended a one-room school house for 8 years and feels he is better off for that experience.

Unable to afford college, he went to work for United Farm Agency out of Kansas City as a sales representative until he was promoted to district supervisor overseeing much of Arkan-

sas. When United Farm was bought out, Coats went to appraisal school and hasn't looked back since.

Coats and his wife, Virginia, have been married since August 1962 and have two sons, Kevin and Kirby of Greenbrier and a daughter, Kristie Brewer of Mayflower; four grandsons and a granddaughter.

## Fred Rausch

Rausch is a practicing appraiser in Fort Smith. Working with Lisa Fletcher, an Arkansas state licensed appraiser, The Rausch Company, Inc., primarily handles residential properties in Sebastian and Crawford counties of Arkansas and selected eastern Oklahoma communities. He is a certified general appraiser in both states.

Rausch already had a background in residential real estate and construction in the 1980s when interest rates took their first big nose-dive within recent memory, creating a busy time for appraisers. An appraiser friend of his needed help, and Rausch gave it. He finds the work interesting because of the variety involved. "You see a different property and a new scenario everyday," he observed.

An appraiser since 1986, Rausch has completed successfully many of the courses offered by The National Institute of Independent Fee Appraisers and The Appraisal Institute. He is a 1979 banking and finance graduate of the University of Arkansas at Fayetteville and holds an Arkansas real estate brokers license.

Rausch is active in the Fort Smith Boys Club as a Little League football coach, Church League baseball, and the Boy Scouts. He and his wife, Pam, have been married 23 years and their son, John, is an Eagle Scout who is in his second year of studies at Southern Methodist University. Their daughter, Mollie, is a tenth grader at Fort

Smith Christian School and a finalist in the "reining" competition of the World Congress Quarter Horse Show.

## Virginia Risinger

If this name sounds familiar to most Arkansas appraisers, it should because she is doing an encore on the Board.

Risinger served on the panel in 2001, completing another person's unexpired term. She was barred from being reappointed at the time in her own right because the law restricts the number of members from any one congressional district to two.

The El Dorado-born Risinger spent the 1960s working for the Murphy Oil Corp. after graduating from Green's Business School. She was co-director of the Union County Area Agency on Aging when a friend persuaded her to enter the real estate business and she began to concentrate on it in 1977.

From 1980 to 1987, she was a partner in the Milton Green Real Estate firm and then opened her own real estate and appraisal business in Strong.

Risinger also is known as a singer/songwriter, and performs two or three times a month on weekends with the gospel trio, "From the Heart." She has published nearly 50 original gospel songs.

Risinger and her husband of 43 years, Frankie, have two daughters, five grandchildren, and two great-grandchildren.

## Richard Stephens

No one, including him, knew much about appraisers until the savings and loan "crash," and when he as an assistant supervisor of accounting for the Teacher Retirement System, Richard

## Board Suspends 2 Appraisers

The Appraiser Licensing and Certification Board has suspended the licenses of two appraisers, prohibiting them from performing any real estate appraisal services in Arkansas until they are reinstated.

Chris Maris of Little Rock began a four-month suspension May 5, after which he will be on probation for eight months. During the probationary period, he will have to submit a monthly listing of all his appraisal assignments and clients to the Board.

He also must complete successfully a 15-hour course on the Uniform Standards of Professional Appraisal Practice (USPAP) and pay a \$1,500 fine, \$500 of which will be waived if Maris meets the educational requirement during the suspension period.

The Board originally imposed these sanctions on Maris at a disciplinary hearing in January 2001. He appealed the action to Pulaski County Circuit Court, which ruled against the Board. The Board appealed to the Arkansas Court of Appeals, which reversed the lower court in April and upheld the agency.

Already on suspension is Michael Davis of Heber Springs. The Board considered several complaints about standards violations by Davis in February and suspended his license for six months effective March 17. Davis is to be on probation for 12 months after the suspension ends, during which he must submit a monthly log of all appraisal assignments to the Board. He also is to pay a \$1,000 fine within 90 days after the suspension ends, and is to complete 15 hours of appraisal education with exam covering one or more prescribed subjects. Davis accepted the Board's action and did not appeal to circuit court.

## Complaint Process Is More Efficient, But It Still Takes Time to Do It Right

By Mary Lou Brainerd  
*Chief Investigator*

Complaints, investigations, and remediations can be handled more thoroughly and sometimes more efficiently now that the Arkansas Appraiser Licensing and Certification Board has a full-time investigator.

I do not have to spread my efforts into other areas of Board responsibility, so I can concentrate 100 percent of the time on complaints, and I am doing just that. This has given me the opportunity to review all of the complaint files that are still open and to notify appraisers who might have forgotten their status. We have a number of appraisers who are not under sanction but who do have restrictions on their licenses. Most of them remember and either are satisfied with their status or are working toward having the restrictions lifted.

I have the time to look at work products taken from the logs of appraisers who are on probation and must submit the logs to the Board on a scheduled basis. This is time-consuming, but it really helps an appraiser know if he or she is on the right track and helps the Board understand if remediation is taking place or just punishment is involved. Remediation is the desired result.

Another of my duties is to go on sight and visit with all the parties involved in a complaint. This is an important part of the process, but only now can the time be spared to much effort to be put into this. It is advantageous for the investigator to have the eyes of an appraiser when visiting the subject property and the comparable sales in the object of a complaint. It is bound to make a difference for those filing a complaint as well as for the appraisers who are called on to answer complaints.

No matter how efficient we try to be, however, the complaint process takes time. Each step requires notification and response time as well as a period to investigate a complaint thoroughly. Therefore, whether you file a complaint or are responding to one, do not expect it to be resolved overnight. It won't happen. However, we will do the best we can to expedite the process and make it go smoothly. To this end, we encourage you to respond as soon as possible to any correspondence you might receive from the Board. A speedy, complete response is always in your best interest!

We have 17 complaints in various stages — from “freshly filed” to “completed but waiting for the decision to be ratified,” as well as 10 cases that have been concluded but the appraiser requires monitoring because he or she is at some stage of remediation.

NOTE: When you have questions about your work, check your current copy of USPAP. A quick look now can save a lot of grief later.



## The annual "Day with the Board" seminar, April 22 drew 382 participants — a record.

Actually, 404 appraisers registered for the event, and more finally got themselves together and called at the last minute (April 21), wanting to participate. Those who called at the last minute had to be turned down because the Board was required to give space and food space numbers to the hotel the previous Friday.

As the numbers reveal, however, 22 of those who registered failed to show up. Had the Board known they were not going to show, their spaces could have been given to the last-minute callers. Perhaps this is a demonstration of how thoughtfulness and organization can benefit everyone!

An overview of Arkansas lien laws by appraiser/attorney Tom Ferstl as they apply to appraisals and fee collection was said by many participants to have been the single most beneficial information presented at the seminar.

The theme for this year's seminar, "Earning Public Trust," was the primary focus of the two principal appraiser presenters, David Reinold of Russellville and Calvin Moye of Fort Smith. Moye's presentation on Federally Related Transactions and Statement 10 generated considerable dialogue between him and audience members.

Shelby Johnson, coordinator of the state's Geographic Information System, told of the research and development of a multi-faceted GIS that would help appraisers, and it was acclaimed as "meaningful and very timely" information on evaluations by seminar attendees.

The Fannie Mae representative who was scheduled for both morning and afternoon sessions canceled at the last minute, but Reinold, Moye, and Board members did an admirable job of providing answers to the many



*Board Chairman Tom Scott*

questions that came up about topics the speaker had planned to cover.

As at previous seminars, many participants complained the meeting room was inadequate for the numbers attending, and others said they were unable to see and read information presented on a screen. Chairman

Tom Scott said the Board will look at various options and possibly reconfigure the seminar format.

The Board commends Ferstl, Johnson, Moye and Reinold for their outstanding contributions to making the 10th annual "Day With the Board" a success.

### Education Offerings & Providers

**Arkansas Chapter, The Appraisal Institute** - Contact Jennifer Coleman at (501) 227-5781. All classes in Little Rock. "Scope of Work," 7 hrs. CE on Sept. 8; "Land Valuation Adjustment Procedures," 7 hrs. CE on Sept. 9; "Land Valuation Assignments," 7 hrs. CE on Sept. 10; "National USPAP," 15 hours QE/CE on Oct. 27-28; "Leasehold Value," 7 hrs., CE, on Oct. 29; and "Leased Fee Value," 7 hrs. CE, Oct. 30.

**The Columbia Institute** - Contact 1-800-460-3147 for information.

**Lifetime Learning** - Contact Dennis McElroy at (417) 887-2221. All classes in Springfield, Mo. "Appraisal Foundation I," 30 hrs. QE on July 28-31; "Appraisal Foundations II," 15 hrs. on Sept. 29-Oct. 2; "Appraisal Foundations III," 15 hrs. on Oct. 27-28; Appraisal Foundations IV," 15 hrs. QE on Nov. 24-25; and "Appraisal Foundations V," 15 hrs. QE on Dec. 15-16.

**The Lincoln Graduate Center** - Contact 1-800-531-5333 for information.

**National Association of Independent Fee Appraisers** - Contact 1-800-335-1751 for information.

**RCI Career Enhancements** - Contact David Reinold at (479) 968-7752. "Appraising Timber & Timberland by the Income Approach to Value," 15 hrs. QE on Aug. 25-26 at the Clarion Resort on the Lake, Hot Springs.

## Get Your CE Total With a Click!

For the first time, Arkansas appraisers can find out with a simple click of their computer mouse how many continuing education hours are credited to them with the Appraiser Licensing and Certification Board.

Go to the Board's website at [www.state.ar.us/alcb/](http://www.state.ar.us/alcb/) and click on roster search and insert your name or number. The total continuing education hours you have submitted should be displayed on the monitor.

If an appraiser believes he or she should have more hours than are posted, contact the Board's office. Appraisers are urged to remember that it is their responsibility—not that of education providers—to request credit for any and all continuing education hours you have completed.

The Board also urges appraisers to take this simple step to verify CE hours well in advance of the renewal cycle on June 30, 2004. Appraisers must have 28 hours of continuing education, including the national 7-hour USPAP update, in order to renew their licenses.

## Warning: Time Flies!

Licensed and certified appraisers should consider themselves on notice that it is not too early to be thinking about scheduling the 7-hour AQB-approved USPAP Update course that they must complete before the next renewal deadline on June 30, 2004.

Further, the 7-hour USPAP Update course required for license renewal must have been taught by an AQB-certified instructor to be acceptable, and there are only three of these instructors in Arkansas. This means, of course, that the opportunities to take the course in-state necessarily will be limited.

Licenses cannot be renewed on a timely basis of those who fail to complete a 7-hour USPAP Update course taught by an AQB-certified instructor by next June 30.

In addition, it is the individual appraiser's responsibility to send the certificates for continuing education credit for this course to the Board's office. The form comes from The Appraisal Foundation, NOT from the instructor.

## Instructor Certification Explained by AQB

The Appraisal Foundation learned by talking with appraisers and regulators that an appraiser's misunderstanding of USPAP often can be traced to the classroom where he or she received erroneous or misleading information about USPAP.

To try to remedy this, the Foundation put these new rules into effect Jan. 1:

- USPAP courses taken for qualifying and continuing education must be the National USPAP Courses or equivalents.

- CE requirements for real property appraisers have been changed to require 7 hours of USPAP instruction every two years. The overall CE requirement of at least 14 hours a year remains unchanged.

- To receive state credit for a USPAP course, it must have been taught by an AQB-certified USPAP instructor who also is a state certified residential or general appraiser. To try to ensure that as many persons as possible are eligible to register for AQB's Instructor Certification Course, the Foundation has kept prerequisites (in its words) "relatively modest." An appraiser must have at least seven years of appraisal experience and 35 hours of experience teaching valuation courses (not necessarily USPAP

## STATUS REPORT

As of June 17, 2003, Board records showed these totals for appraisers:

State Certified General . . .	404
State Certified Residential	322
State Licensed . . . . .	123
State Registered . . . . .	375

(Includes Temporary and Non-Resident Appraisers)

## Next Licensing and Certification Exam

**October 4, 2003**

Potential applicants should contact the Board's staff for current information about the application process, exam schedules, fees, and other matters by calling (501) 296-1843, or use the Board's website at:

[www.state.ar.us/alcb/](http://www.state.ar.us/alcb/)

or write to the Appraiser Licensing and Certification Board, Suite 430, 101 E. Capitol Ave., Little Rock, AR, 72201.

courses) to register. Also, there must have been no disciplinary action against the appraiser in the previous five years.

More than 575 individuals have applied to become AQB-certified instructors. The current pass rate for the course and exam is 59 percent, and only 298 instructors are certified. Three of those are in Arkansas.

## WE HAVE MOVED!

The Arkansas Appraiser Licensing and Certification Board's office location and mailing address is now:

**101 E. Capitol Ave. - Suite 430  
Little Rock, AR 72201**

**Telephone and fax numbers  
and email address remain the same.**

**New**, from page 2

Stephens said he found "appraisal reports" were all over the board in their professional quality. The 1963 University of Central Arkansas graduate has been working with a vengeance since the 1970s to remedy his lack of knowledge about the field and to bring professionalism to its ranks.

His Little Rock firm, Richard A. Stephens & Associates, provides appraisal services for a wide array of both public and private entities, and he is qualified as an expert to testify in courts.

Over the years, he has been certified to teach numerous appraisal courses, the most recent being the USPAP Update. He also has been ac-

tive in professional groups such as The Appraisal Institute, the American Society of Real Estate Counselors, and the American Society of Farm Managers and Rural Appraisers. In 2000, he received the Appraisal Institute's Robert Foreman Memorial Award for excellence and dedication to the enforcement of the organization's Ethics and Standards Program.

His wife of the last 20 years, Sara, is a certified appraiser, having found a second career after retiring from teaching school. His hobbies are golf and gardening, and he chairs the Christ the King parish Building Committee. Stephens has two sons and three grandchildren.

**Value**, from page 1

sional assistance;

- Miscellaneous editors and revisions, i.e., 1) edits to the definition of "bias"; 2) deletion of certain definitions; 3) revisions to the Management Section of the Ethics Rule; 4) Edits to the Recordkeeping Section of the Ethics Rule, Testimony and Work File retention; and 5) Edits about the review of Restricted Use Appraisal Reports.

The text of the proposed USPAP revisions and edits can be found on the Appraisal Foundation's website at: [www.appraisalfoundation.org](http://www.appraisalfoundation.org)

The ASB held a public hearing on the proposed changes at its meeting June 27. A final draft of its proposed revisions and edits in the 2003 USPAP standards is expected momentarily.

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